

SIGNIFICANT LEGISLATION – RCW 9.46

2004

Engrossed Substitute House Bill 2459 - Supplemental Budget Fund Transfer - Passed. The bill was to remove \$3 million from the Commission's budget, with \$500,000 of that amount directed to problem gambling treatment programs, if HB 2776 passed. The Commission sent a letter to the Governor supporting problem gambling, but opposing the fund transfer. \$2.5 million was transferred from the Gambling Revolving Fund; however, the Governor vetoed the transfer of \$500,000 for problem gambling and requested the Commission consider its contributions to problem gambling.

Senate Bill 6481 - Pari-mutuel Wagering - Passed. This bill allows account wagering on horse races, via the internet. This will be the first law in Washington State that allows internet gambling, in limited circumstances (betting on horses).

Several other bills were discussed during the 2004 Session, but did not pass:

House Bill 2776 - Problem Gambling Treatment – This bill did not pass, but is very connected to the supplemental budget (above). In the 2003 session, \$500,000 was allotted to problem gambling treatment, but was only a one-time funding, which ran out in June 2003. The program had been very successful; this bill would have allowed the treatment program to resume. The hope that there will be a more permanent solution arrived at in the next session was discussed.

House Bill 1667 - Gambling Activity Zoning – This bill did not pass: It would have allowed local jurisdictions to zone gambling. This would likely increase gambling as cities/counties that do not currently allow gambling may allow it via zoning. Another bill concerning zoning (SB 6464) was introduced, but did not have a hearing.

There was a bill to give the Legislature the exclusive authority to increase all wagering limits, rather than the Gambling Commission (SB 6462) and a bill to freeze the wagering limit allowed for house-banked card rooms to the limits effective as of January 1, 2004 (SB6463). Neither of these bills had hearings.

HB 1948, which was introduced in the 2003 session and would have authorized electronic machines, did not have a hearing.

2003 **House Bill 1637** which allows the Commission to support problem gambling was passed effective July 27, 2003. The Commission issued a statement supporting this bill because the Commission recognizes the importance of the work with problem gambling.

A gambling Task Force was established in the state budget signed by Governor Locke on June 26, 2003. The Task Force will examine possible ways to enhance state revenue from gaming. The Task Force will be supported by the Lottery Commission and will be made up of one member from each of the four legislative caucuses, the executive directors of the Gambling and Lottery Commissions and the Governor's designee. The Task Force will report to the House Appropriations Committee in January 2004.

Several bills that related to gambling were discussed, none passed. Here is a brief summary.

House Bill 1446: Governor Locke announced combining the Gambling and Horse Racing Commissions into one agency called the Department of Gaming, as part of his proposed budget. The Commission issued a position statement opposing this bill.

House Bill 1948 would have allowed machine gambling, similar to those currently run by the Tribes.

House Bill 1397 and 1667 Related to local government land use and zoning of gambling activities. The Commission issued a statement opposing the bill stating the best interests of the state of Washington is supported by the existing law.

House Bill 1227 Use of vending machines in promotional contests of chance. The Commission issued a statement supporting this bill because it would provide clarification of the law and would reduce regulatory costs.

2002 The following bills were passed in the 2002 Legislative Session and became effective on June 13th.

House Bill (HB) 2631/Senate Bill (SB) 6491, the Gambling Commission/Liquor Board joint agency-request bill regarding criminal background checks passed so that the agencies could comply with federal requirements. This did not impose any additional requirements on applications.

SHB 2767, Electronic Benefit Cards, was also passed. It prohibits those who have the cards for public assistance and food stamps to be able to use them for gambling purposes.

SB 5064, the bill related to Cheating, passed both houses and was amended slightly. It allows up to a \$20,000 fine as the penalty for cheating. First Degree Cheating was reduced from a Class B to Class C felony.

HB 2918 authorizing bingo operations up to seven days a week for nonprofits passed. The bill had a moratorium section, and because of the way it was worded, it would have excluded smaller new licenses for all activities – raffles, punchboards and pull-tabs, and bingo. The ultimate result was that the Senate removed the moratorium altogether.

SB 6560 authorized the first multi-state lottery game in the state. Washington joined with nine other states in a game known as the Big Game.

No gambling related bills were passed in the 2001 session, although there were several proposed. Here is a brief summary:

House Bill (HB) 1307/Senate Bill (SB) 5064 Cheating at Gambling

These bills would have combined the definition of cheating and penalties into a single statute, separating cheating into two degrees. Any cheating involving two or more people (or at least one licensee) would be a class B felony. Cheating by a single individual (as long as the person was not a licensee) would continue to be a gross misdemeanor.

HB 1446/SB 5429 Electronic Bingo

HB 1797/SB5905 Waiver of Immunity

These bills would have waived the state's sovereign immunity (11th amendment) defense in federal court cases involving disputes arising under IGRA and the State/Tribal compacts, conditional upon the Tribe giving a similar waiver. There was a hearing in the Senate; however, the bill did not pass out of the committee. There was no hearing in the House.

SB 5553 Task Force on Combining Gambling Agencies

This bill would have created an 18-member task force to study combining the Gambling Commission, the Lottery Commission, and the Horse Racing Commission into a single agency. The Chair of the Gambling Commission would have been one of the members. The task force would have reported to the legislature by 12/1/2001. In the past, the proposal was to merge the Liquor Control Board, Lottery Commission, and Gambling Commission. There was a hearing in the Senate, but the bill did not pass out of committee.

SB 5487 Prohibiting Smoking in House Banked Card Rooms

This bill would have added the category of "facilities licensed by the gambling commission to operate house-banked card rooms" to the locations where smoking is not allowed. Further, it would have removed the ability of a bar, tavern, bowling alley, or restaurant with a House Banked card room license to be designated as a smoking area in its entirety as is presently allowed. This bill did not pass out of committee.

SB 5573 Raffles by Student Groups and Public Hospitals

This bill would have allowed public student groups and public hospital associations to conduct unlicensed raffles up to a calendar year maximum of \$15,000 in gross receipts with no more than \$5,000 per individual raffle. It would have exempted these raffles from local taxation. NOTE: ASB and Parent/Teacher Associations are currently authorized to conduct two public unlicensed raffles per year with a total combined gross receipts of \$5,000. There was a hearing on the bill; however, it did not pass out of committee.

SB 5645 Issuance or Renewal of Gambling Licenses

This bill would have required the Gambling Commission to give notice to local governments before issuing or renewing any gambling license and allow local governments to file written objections to licenses and to request a formal public hearing. It would have allowed the commission to deny a license based on public safety concerns. There was no hearing on this bill.

The **Legislative Round Table on Gambling Policy Committee**, chaired by Senator Margarita Prentice, conducted Round Table meetings in the summer and fall of 2001. The Committee looked at all gambling activities, including lottery, horseracing, and commission-regulated gambling, such as bingo, punchboards/pull-tabs, enhanced card rooms, and Tribal casinos.

- 2000 HB 2353 This was a Gambling Commission request bill to clarify the Commission's authority to receive non-conviction criminal history information for licensing purposes.
- SHB 2358 This bill modified the charitable fund raising events statute to allow such events to be conducted by vendors licensed by the commission. Previously, only members of the organization could manage or operate a fund raising event. These "limited" FRE's will be conducted by third party vendors who use scrip or chips with no cash value. The scrip or chips may only be cashed in for merchandise prizes. The total value of prizes may not exceed 10 percent of the gross revenue from the FRE.
- SHB 2792 This bill exempts from public This bill exempts from public disclosure most financial information submitted to the Gambling Commission, Liquor Board and State Lottery by a license applicant.
- SSB 6373 This bill updated the promotional contest of chance statute. The specific allowable entry methods specified in the previous law (RCW 9.46.0355) were repealed. Businesses may now conduct promotional contests for advertising or promotion purposes so long as no monetary consideration is required to enter the contest. Additional chances for promotional contests other than those received through the mail are allowed based on the purchase of goods or services if a free method of entry is also provided.
- SSB 6557 This bill allows credit unions to conduct unlicensed raffles where total revenues do not exceed \$5000, tickets are sold only to members, and the proceeds are devoted to the charitable purposes listed in RCW 9.46.0209.

The Legislative Gambling Policy Round Table continued to meet. They held two meetings to discuss issues related to Problem Gambling such as insurance coverage, as well as enhanced card rooms, and the state lottery.

- 1999 SB 5745 reduces tax on bingo and raffles from 10% to 5% of gross receipts minus prizes (net receipts). Bill effective January 1, 2000

Legislative Round Table created to address all forms of gambling in the state, including issues related to Problem Gambling. Holds five meetings in various cities.

- 1998 SSB 6562 – Amended pari-mutuel tax on horse racing to provide relief for equine industry. Budget amendments to fund state fairs by creating new lottery scratch games and to conduct a study of whether the state should allow casino-style gambling at race tracks in Auburn, Spokane, and Yakima were vetoed by Gov. Locke.

- 1997 SB 5560 – changed definition of social card game to include house banked games or player funded banked card games. Bill sponsored by the card room industry.

SB 5034 - Raised cost of single punchboard/pull tab from 50 cents to \$1. Changed tax rate for punchboards/pulltabs from gross to net for nonprofits. Gave local jurisdiction option of net or gross basis for PB/PT tax for commercial businesses.

SB 5330 – Authorized "Calcutta" golfing sweepstakes for charitable/nonprofit organizations.

SB 5422 – Amended professional gambling definition to clarify intent of statute and assist prosecutors in pursuing cases.

HB 1364 – Clarified process for seizure and forfeiture of gambling related property.

SSB 5762 – Racetracks authorized to send and receive simulcast signals of live races outside

Washington. Signals not allowed to be transmitted to satellite facilities, including tribal casinos.

- 1996 Card room enhancement:
 - + Commission authorized to increase number of tables
 - + Removed limit and method of collecting fees
 - + Authorized jackpot schemes related to card games
- 1995 Raffle tickets increased from \$5 to \$25 per chance
- 1994
 - Card room fees increased from \$2 to \$3 per half hour
 - Changed definition of commercial stimulant
 - Definition of gambling device clarified to include video and other electronic devices
- 1993 The Legislative Task Force on Gambling Policy created (EHCR 4403)
- 1992 Compact negotiation process codified making Gambling Commission primary negotiator
- 1991 Expansion of amusement game locations (amusement parks, shopping malls, liquor licensees, movie theaters, bowling alleys, and family entertainment centers)
- 1985
 - Senate Floor Resolution 97 - Study to merge Gambling Commission, Liquor Board, and Lottery Commission
 - Punchboards/pull tabs chance increased from 25¢ to 50¢
 - Raffle tickets increased from \$1 to \$5 per chance
 - Increased card room fees from \$1 to \$2 per half hour
 - Music added to dice and coin games
- 1984
 - Increased limits for FRE from \$5,000 to \$10,000
 - Repeal of pull tab machine tax
- 1981
 - Tax on card games increased from 5% to 20%
 - Commission authorized to fine for minor violations
 - Increased requirements for winners register for PB/PT from \$5 to \$20

- 1978 Gambling Commission designated as a separate agency
- 1977 - Fund raising events (Reno nights) authorized
- Dice and coin games authorized for food and beverages
- 1976 - Machine tax authorized
- Sports pools authorized
- Commission granted authority to establish locations for commercial amusement games
- Promotional contests of chance expanded
- Authorized limited bingo, raffles, and amusement games without a license
- 1974 Card rooms and social card games (including mahjongg) authorized
- 1973 Chapter 218, Laws of 1973 (SHB 711) created the Gambling Commission and authorized amusement games, bingo, raffles, punchboards/pull tabs, card rooms, mahjongg, and social card games for charitable/nonprofit organizations and commercial food and drink businesses. Governor Evans vetoed provisions authorizing card rooms, social card games, and mahjongg.